

Central Falls Detention Facility Corporation Meeting Minutes
Monday, September 21, 2015
Wyatt Detention Facility Training Building
935 High Street
Central Falls, RI 02863
5:30 P.M.
TDD/TTY 401-727-7450

A meeting of the Central Falls Detention Facility Corporation was held on the above date in the Training Building at 5:30p.m.

1) Call to order/Roll call

Present: Chairman Gallant
Director Gonsalves
Director Gardner

Absent: Director Dinerman
Director Silva

2) Pledge of Allegiance

3) Public Comment

Former Mayor Tom Lazieh asked the Board to be cognizant of other municipal meetings that are held at the same time as the CFDFC meeting. Specifically, the Central Falls City Council meetings are held on the second Monday of the month at 6:00pm, so other days are more convenient for those wishing to attend both meetings. He said that the facility's main purpose is not to provide a pay check to the Officers and the staff, but to provide a financial benefit to the City (Central Falls). He said that this has been lacking, so the Board has not been doing a good enough job. He said that, with the bankruptcy settlement, the facility agreed to make payment to the City of Central Falls, but he questioned what was being taken away. He said that he doesn't believe that the City has gained, but is just getting back what is owed to them for property tax for the Fink property. He does not know the details of the settlement, but knows that, as a property owner and the initiator of this project (creation of the detention facility), the City is not getting enough. He said that it was the obligation of the new Board to improve upon this. He commented that he had not seen a contingency of all Board members in all of the meetings he'd attended.

Chairman Gallant interjected that the missing Board members were both Central Falls residents.

Former Mayor Lazieh reiterated that all Board members should be attending the meeting. He said that he'd like to know more about the current detainee count (Chairman Gallant said that it was 484); population projections, discussions or negotiations with ICE or any federal agencies that will utilize the facility; and any litigation that can be discussed publicly. He asked about the class that was under discussion at the last meeting he'd attended. He commented that he'd not yet met the new Warden and expressed that he was interested in anything that was going on at the facility. He asked that the date of the next meeting be discussed prior to the Board convening into to Executive session. He said that a lot of time, effort, and sweat, and political capital went into the creation of this facility. He has an integral interest in what happens with the facility.

Chairman Gallant said that the next meeting would be held on October 19th due to the holiday on October 12th.

4) Approval of 8/17/15 minutes

Motion by Director Gonsalves to approve the minutes of the 8/17/15 meeting; seconded by Director Gardner. All were in favor. Motion passed.

5) New Business

A. Report of the CFO

The following is a brief summary of the financial results for Central Falls Detention Facility Corp. for the period ended July 31, 2015.

REVENUE

Total revenue for the month was approximately \$1.6 MM.

Revenue for the month was unfavorable to budget by \$74k. The budgeted ADP was 500 for the month compared to the actual of 474.

YTD Revenue is \$10.2 MM, \$1.1MM unfavorable to budget.

OPERATING EXPENSES

Total operating expenses for the month were approximately \$1.4MM.

Total operating expenses for the month were \$90k favorable to the budget.

Salaries and Fringe

Total salaries and fringe were approximately \$1.1MM, \$31k unfavorable to budget attributable to higher than expected wages of \$31k.

Inmate Care Expenses

Total inmate care expenses were approximately \$126k, \$2k favorable to budget. This was attributable to lower than expected professional services expense of \$2k.

Direct & Administrative Expenses

Total direct and administrative expenses were approximately \$97k and were \$66k favorable to budget due to lower than expected bondholder legal fees of \$83k and in-house legal fees of \$18k. Higher than expected expenses which include an accrual of \$24,500 for the Forbearance agreement payment and consulting fees of \$10k.

Insurance Expense

Total insurance expenses were approximately \$52k, and on budget.

Building & Utility Expenses

Total building and utility expenses were approximately \$104k, \$54k favorable to budget. This was due to lower than expected gas and electrical costs.

OPERATING INCOME

Operating income for the month was \$149k, \$15k favorable to budget, due to the operating expenses being lower than budgeted.

NON-OPERATING REVENUE/EXPENSE

Non-Operating Expenses for the month were \$809k, \$13k unfavorable to budget. The variance is due to a penalty payment to the AIG matched fund of \$33k and lower than anticipated depreciation expense of \$20k.

CHANGE IN NET ASSETS

Change in net assets for the month was a decrease of \$660k compared to a budgeted decrease of \$663k.

CASH

The following are the cash balances in the trustee accounts as of July 31, 2015:

US BANK

General Revenue Fund	\$ 1,403,012
Debt Service Fund	\$ 0
Debt Service Reserve Fund	\$ 172,868
Capital Improvement Fund	\$ 4
Operations & Maintenance Fund	\$ 246,034
Fees & Expenses Fund	\$ 158,429
Bondholder Account	\$ 2,270,652

BANK OF AMERICA

Operations & Maintenance	\$ 17,267
Vendor Payments	\$ 504,967
Payroll	\$ 18,178

Chairman Gallant asked if the higher than expected salaries and wages was attributable to overtime. CFO Cuzzupe confirmed. Chairman Gallant asked if the facility had lost any Officers to other facilities during the last month. Warden Martin affirmed. He said that four Officers separated from employment in the last month. Chairman Gallant said that he spoke with a Lieutenant from the ACI and he said that we should expect a significant loss when they begin the next Academy.

Chairman Gallant asked if the facility conducted formal exit interviews. Warden Martin affirmed. Chairman Gallant asked if anything other than better wages and benefits, such as issues with the Administration, was ever listed as the reason for leaving. Warden Martin said that although that may have been the case in the past that was not the case now.

Chairman Gallant asked CFO Cuzzupe to speak to the general impression of the cash flow forecast that he'd distributed. CFO Cuzzupe said that he'd done a sixty day cash flow that was disseminated to the bondholders and, based on that, we are cash flow positive for the next sixty days.

Motion by Director Gardner to accept the CFO's report; seconded by Director Gonsalves. All were in favor. Motion passed.

B. Report of the Warden

Warden Martin presented the following information:

- The detainee count today is 480 with an expected end of day count of 480. The average ADP in August was 484 compared to an average ADP of 450 in July.
- In August, we had 102 admissions with 108 releases for a negative variance of 6 detainees.
- Suicide hours for 2015 year-to-date cost us approximately \$72,698.
- FTE (staffing) was 155.94. We currently have 18 employees on leave, with six of them paid and twelve unpaid.
- We have 133 Correctional Officer positions authorized; 104 positions are filled; 92 Officers are active; 29 positions are vacant.
- For Sergeants, we have 20 authorized positions; 13 positions are filled; 11 Sergeants are active. For Lieutenants, we have 5 authorized positions; 3 positions are filled; 2 positions are vacant. For Captains, we have 5 authorized positions; 4 positions are filled and one position is vacant.
- Class 37 – There are 17 candidates remaining in the process after the completion of the psychological testing. The final phase is the physicals and drug-screenings. We usually do not lose anyone in that process. The class start date will be October 19th, with a graduation date of December 11th.

- David Tomasso, a retired Detective Captain from the Coventry Police Department has joined the Executive team as the Director of the Professional Standards Unit. He was present at the meeting.
- Jasmin Serrano was selected to fill the position of Administrative Assistant to be shared between Linda St. Pierre, Chief of Support Services and the Training Department. Jasmin was working at the facility as an intern prior to applying for and being selected to fill this position. Director Gonsalves asked how many resumes the facility received for this position. Ms. Pouliot, Human Resources Director, responded that there were over 150 resumes received. Ms. St. Pierre, Chief of Support Services commented that not all of them were qualified.
- We had two promotions this month. Officers Dumas and Laprade were promoted to the position of Sergeant. A promotional ceremony was held at a roll call. Both employees' families were present.
- As far as recruitment, we are trying to shift our process to an on-going recruitment rather than a two-to-three week recruitment process. On September 16th, the facility participated in the First Annual Central Falls Job Fair. We are actively recruiting within the community, which he feels is important. We will be participating in the Community Care Alliance Job Fair in Woonsocket on October 14th. Through NetworkRI, we have been offered the opportunity to set up a table at one of their offices at no cost to us. We did a debriefing of the group that participated in the last recruitment process. Linda St. Pierre did a great job with that. Staff came up with great ideas of revamping our website to give the applicant an idea of the different opportunities that exist within the facility.
- In regards to cost-savings and efficiencies, Mr. Clifford and Mr. Cuzzupe have done a great job with that. One of the contracts that they changed was with Stericycle and medical waste that provided a savings of \$5k.
- There were five minor detainee-on-detainee altercations this month. No weapons were involved. There were no injuries to staff.
- US Marshals Quality Assurance Review results were received. There was one minor deficiency noted, but overall, the facility received a rating of "Excellent." This is the highest rating able to be achieved.
- Outreach & Networking–
 - Warden has been actively communicating with various agencies and individuals.
 - Ms. Singleton brought in a group from Connecticut Probation to tour the facility and to see how we operate.
 - Warden Martin spoke with Marshal Gibbon (Boston) to discuss the services that we are providing. There was discussion around the need for mental health beds, so this is something they will talk more about. At the same time, he spoke with Chris Malloney, the Chief Federal Probation Officer out of Boston. They discussed the possibility of a secured reentry program as well as the possibility on bringing several Federal Magistrates on a tour. Director Gonsalves asked if the addition of mental health beds would require additional staff. Warden Martin said that he'd first work with the staff that he has, but that additional staff may be needed if the program were successful. He said that he'd like to dialogue on this at a later date.
- Bondholder tour took place on September 16th. There is an agenda included in the Board packets that details items covered with the bondholders. Staff did a great job of making the facility look good.
- Warden Martin is assembling a request for an increase to the per-diem rate. This has not been explored since 2011. Fred Clifford, as Procurement Director, will assemble information on what other facilities are being paid so that the Warden will have all information available to him when he makes the request.
- Warden Martin continues to communicate with ICE and FBOP. Dialogue continues, but there has been no movement.
- Capital Projects – Server-upgrade is still in-process. Completion date has shifted from the end of September to October.

- Warden Martin stated that the second payment was made to the City of Central Falls

Chairman Gallant said that he would respond to Mayor Lazieh's questions raised in open session as part of the Warden's report, as far as what this Warden and the Board have done in the short time that they've been in place. He said that it's important that Mayor Lazieh remember that we cannot cloud this Board with the Receivership or what happened under his term. They can only handle what is before them in 2015.

Coming out of near-bankruptcy, this Board, within thirty (30) days, trimmed \$290k out of Executive payroll so that they could provide a pay check to the people that work here and maintain this building because without them, we do not have anything. We are losing Officers as fast as we can gain them. We did have one successful class and another one is in process, but until we can provide a stable future to these people, we are on a perpetual mouse wheel. In terms of outlooks and projections, until we stabilize our staff, we cannot take on another 200 detainees under current conditions. This facility will not survive another incident like the one that happened in the past. This business and this brand will have to grow in proportion to the amount of inmates that we take in. We do not determine what our revenue is. Outside sources do. We can only operate based on the number of bodies that we get. Unfortunately, we do not have the luxury of telling the Marshals who to arrest or of telling the Magistrates who to hold.

Under this Warden, the Board has shaved \$290k of Executive payroll that was excessive at the top. We've removed some key people and this Warden is making do without them. This Warden, with almost thirty (30) years of experience is working at \$50k less per year than his predecessor and \$140k a year less than the one before him. In a short amount of time, he and his Executive staff have received a rating of "Excellent" or near 100% on a compliance audit by the Office of Federal Detention and the US Marshals Service and the federal detainee oversight board. Under some of the most trying conditions, this staff has achieved a rating that very few facilities get. The people that own this facility have toured it as recently as September 16th and left completely impressed and more committed to keeping this facility going. He is unsure of whether these individuals toured the facility in the recent past or ever. This Warden got them in. This Board corralled legal fees from four, five, or six different Attorneys, some of which billed more per month than a team of forty-five (45) lawyers that this Board brought in. We now have a bench that handles everything from bonds and an Attorney with over twenty-eight years of overseeing correctional facilities in California for the federal bench. They've reduced and negotiated an extremely competitive rate and control all legal costs under one umbrella. We are working on a program with our worker's compensation carrier to provide safety training for our staff. Because of a lack of safety training and because this facility and prior Administration turned its back to the opportunity to train its staff, we pay the highest workers comp rates that our carrier offers. We are going to experience significant savings by simply opening our minds, and under the direction of this Warden providing safety training. Outlooks and projections are completely dependent upon our inmate population. We've recently made a payment of \$100k to the City of Central Falls and will continue to make a monthly payment of \$16,666. Those payments are not dependent upon Board discretion. This was negotiated by the courts through the receivership with the bondholders. There is a four year forbearance agreement. During this time, this Board is charged with trying to make the facility solvent. They have four years to do it. Any monies going to the City are beyond the discretion of this Board.

Chairman Gallant said that this Warden has brought a sense of pride and integrity and a sense of urgency to our stakeholders. This Warden has reached out to every single stakeholder. He has made contact with every single person that puts bodies in this building. He hasn't seen himself as too important to get on the phone and reach out to anyone and everyone. Some may say that they haven't done their jobs well, but they feel that in a very short amount of time, they've started to turn this ship around with the tools available and the time constraints before them. In regards to projections, what he has said to the staff is that we (Board) challenge any to show where they are spending money

frivolously or where they are paying excessive Executive rates or where they are giving political jobs to cronies. None of that has or will happen under this Board.

Former Mayor Lazieh said that he appreciated the response. He said that his comments were meant to encourage the Board to be better than what's taken place in the past.

Chairman Gallant said that the Board is significantly encouraged, one from Massachusetts, one from Cumberland, and one long-standing Central Falls resident, to be there.

Motion to accept the Warden's Report made by Director Gardner; seconded by Director Gonsalves. All were in favor. Motion passed.

- 6) Bondholders Consultant review and topics.
No discussion.

Chairman Gallant moved to go into Executive session to discuss pending litigation and contract negotiations and to receive an operational report from the Warden; Directors Gardner and Gonsalves, and Chairman Gallant voted affirmatively to go into Executive session. Motion passed.

- 7) Executive Session pursuant to RIGL § 42-46-5 for the following purposes:

- A. R.I.G.L. § 42-46-5(a)(2) for the purpose of discussing pending FOP & Health Services contract negotiations and budget planning for the same; Supervisors' pay rate increases; and the status of the legal transition.
- B. R.I.G.L. § 42-46-5(a)(3) for the purpose of receiving an operational report from the Warden to discuss the internal review of recent inmate incidents, security procedures review, and open positions throughout the facility.

Motion to return to open session made by Director Gonsalves; seconded by Director Gardner. All were in favor. Motion passed.

Chairman Gallant moved to seal the minutes of Executive Session. Director Gardner, Director Gonsalves, and Chairman Gallant voted affirmatively to seal the minutes. Motion passed.

Motion to approve the start of the next Correctional Officers' process made by Director Gardner; seconded by Director Gonsalves. All were in favor. Motion passed.

- 9) Adjournment

Motion to adjourn made by Director Gardner; seconded by Director Gonsalves. All were in favor. Motion passed.